

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
DELMARVA POWER & LIGHT COMPANY FOR)
APPROVAL TO ISSUE UP TO \$475 MILLION) PSC DOCKET NO. 19-0738
OF DEBT SECURITIES)
(FILED NOVEMBER 12, 2019))

ORDER NO. 9525

AND NOW, this 8th day of January 2020, the Delaware Public Service Commission (“Commission”) determines and orders the following:

WHEREAS, on November 12, 2019, Delmarva Power & Light Company (“Delmarva” or the “Company”) filed an application (the “Application”) under 26 *Del. C.* § 215(e) requesting the Commission’s approval of a three-year financing plan whereby the Company plans to issue over such period up to \$475 million in debt securities, which includes up to \$78.4 million of debt securities to refinance unsecured tax exempt bonds¹ and up to \$396.6 million of debt securities as permanent long-term financing to repay short-term debt issued to temporarily finance its 2020-2022 construction program, with the exact aggregate principal amounts, interest rate(s) payable, dates of interest payments, and other particulars of such financings to be determined from time to time by the officers authorized to do so; and

¹ In 1997, Delmarva issued \$12 million of unsecured medium-term notes with a stated maturity date of December 1, 2019. In 1998, Delmarva issued \$4 million of unsecured medium-term notes which matured in 2018. In 1987, 1988, 1993, and 1994, Delmarva issued a total of \$71.5 million of secured tax-exempt variable rate demand bonds (“Secured Tax-Exempt Variable Rate Demand Bonds”), \$26 million of which matured in 2017 and \$45.5 million of which can be put back to Delmarva on any given week or day, respectively. In 1999, Delmarva issued \$33.33 million of unsecured tax-exempt variable rate demand bonds (“Unsecured Tax-Exempt Variable Rate Demand Bonds”), which can be put back to Delmarva on any given week, and in 2010, Delmarva issued \$78.4 million of unsecured tax-exempt bonds (“2010 Tax-Exempt Bonds”), which currently are outstanding and have a par call in 2020. The stated maturities of the Secured Tax-Exempt Variable Rate Demand Bonds are 2028 and 2029, respectively. The stated maturity of the Unsecured Tax-Exempt Variable Demand Bonds is 2024, and the 2010 Tax-Exempt Bonds’ stated maturity date is 2031.

WHEREAS, under 26 *Del. C.* § 215(e)(2), the Commission may make such investigation and hold such hearings in this matter as it deems necessary, and thereafter may approve the financing plan in whole or in part with such modification and upon such terms and conditions as it deems appropriate; and

WHEREAS, the Commission is required to approve any financing plan when the proposed financings are to be made in accordance with law, for proper purposes, and consistent with the public interest; and

WHEREAS, under the provisions of 26 *Del. C.* § 215(e)(2), the Commission may also review the financing plan for consistency with efficient and reasonable financing principles; and

WHEREAS, under 26 *Del. C.* § 215(e)(2), the Commission may require the filing of periodic reports as to the action taken pursuant to the financing plan and shall approve, modify, refuse, or prescribe appropriate terms and conditions with respect to any such financing plan within sixty (60) days of its filing or, in the absence of such action within such period of time, the proposed financing plan will be deemed to be approved as filed as if the Commission itself had acted favorably thereon; and

WHEREAS, the Commission Staff has reviewed and examined the proposed financing plan and the schedules and exhibits appended thereto, and has determined that the proposed plan is consistent with efficient and reasonable financing principles, for a proper purpose, in accordance with law, and consistent with the public interest, and Staff has recommended Commission approval of said proposed financing plan;

**NOW, THEREFORE, IT IS ORDERED BY THE AFFIRMATIVE VOTE
OF NOT FEWER THAN THREE COMMISSIONERS:**

1. That the Commission, having independently reviewed this matter, determines and finds that Delmarva Power & Light Company's three-year financing plan filed with the Commission on November 12, 2019, is consistent with efficient and reasonable financing principles, for a proper purpose, in accordance with law, consistent with the public interest and is, therefore, hereby approved.

2. That nothing in this Order shall be construed as a guarantee, warranty, or representation by the State of Delaware or by any agency, commission, or department thereof with respect to the indebtedness of Delmarva Power & Light Company which may be issued or incurred under the financing plan herein approved.

3. That Delmarva Power & Light Company, shall, no later than fifteen (15) days after the issuance of any indebtedness under the approval herein granted, file with the Commission a report describing in detail the exact nature of the issued financing, including the amount, term, rate, issuance costs, date of issuance, revised capitalization ratios, and an opinion of counsel that said issuance was made for a proper purpose, in accordance with law, and consistent with the authority granted herein.

4. That the Commission's approval of the Application is not to be construed as approving any capitalization ratios which result therefrom for any purposes or in any proceedings involving the rates of this utility, nor does this approval affect Delmarva Power & Light Company's burden of proof as imposed by statute.

5. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Chairman

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Secretary